

(A) New budget authority, —\$700,000,000.
 (B) Outlays, —\$1,000,000,000.
Fiscal year 2002:
 (A) New budget authority, —\$800,000,000.
 (B) Outlays, —\$4,000,000,000.
Fiscal year 2003:
 (A) New budget authority, —\$1,400,000,000.
 (B) Outlays, —\$1,000,000,000.
 On page 31, line 24, strike subsection (6) in its entirety.

KEMPTHORNE AMENDMENT NO. 2285

Mr. KEMPTHORNE proposed an amendment to amendment No. 2206 proposed by Mr. REID to the concurrent resolution, S. Con. Res. 86, *supra*; as follows:

At the end of subsection (b)(2), strike "Act," and insert the following:

"Act through their proceeds alone, if subsequent legislation provides an alternative or mixed, dedicated source of mandatory funding."

THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

ROTH (AND OTHERS) AMENDMENT NO. 2286

Ms. COLLINS (for Mr. ROTH for himself, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. CHAFEE, Mr. KENNEDY, Mr. ABRAHAM, Mr. JEFFORDS, Mr. SANTORUM, Mr. GRASSLEY, Mr. GRAHAM, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill (H.R. 3130) to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, and to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Support Performance and Incentive Act of 1998".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS

Sec. 101. Alternative penalty procedure.

Sec. 102. Authority to waive single statewide automated data processing and information retrieval system requirement.

TITLE II—CHILD SUPPORT INCENTIVE SYSTEM

Sec. 201. Incentive payments to States.

TITLE III—ADOPTION PROVISIONS

Sec. 301. More flexible penalty procedure to be applied for failing to permit interjurisdictional adoption.

TITLE IV—MISCELLANEOUS

Sec. 401. Elimination of barriers to the effective establishment and enforcement of medical child support.

Sec. 402. Safeguard of new employee information.

Sec. 403. Conforming amendments regarding the collection and use of social security numbers for purposes of child support enforcement.

Sec. 404. Elimination of definition regarding high-volume automated administrative enforcement of child support.

Sec. 405. General accounting office reports.

Sec. 406. Technical corrections.

TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS

SEC. 101. ALTERNATIVE PENALTY PROCEDURE.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

"(4)(A)(i) If—

"(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with section 454(24)(A), and that the State has made and is continuing to make a good faith effort to so comply; and

"(II) the State has submitted to the Secretary a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

"(i) The Secretary may only impose a single reduction of the amount otherwise payable to the State under paragraph (1)(A) of this subsection for a fiscal year for the failure of the State to comply during such fiscal year with section 454(24)(A) or with any other provision of this part that imposes a requirement with respect to the establishment or operation of an automated data processing and information retrieval system.

"(B) In this paragraph:

"(i) The term 'penalty amount' means, with respect to a failure of a State to comply with section 454(24)—

"(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs;

"(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

"(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year; or

"(IV) 30 percent of the penalty base, in the case of the 4th or any subsequent such fiscal year.

"(i) The term 'penalty base' means, with respect to a failure of a State to comply with section 454(24) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

"(C)(i) The Secretary shall waive a penalty under this paragraph for any failure of a State to comply with section 454(24)(A) during a fiscal year if—

"(I) at any time during the fiscal year, the State has submitted to the Secretary a request that the Secretary certify the State as having met the requirements of such section;

"(II) the Secretary subsequently provides the certification (regardless of whether the certification is provided in that fiscal year) as a result of a timely review conducted pursuant to the request; and

"(III) the State has not failed such a review.

"(ii) With respect to only the 1st or 2nd fiscal years in which a reduction is imposed under this paragraph for the failure of a State to comply with section 454(24)(A), if the State achieves compliance with section

454(24)(A) during the 2nd fiscal year, in the case of a reduction imposed for 1 fiscal year, or during the 3rd fiscal year, in the case of a reduction imposed for 2 consecutive fiscal years, the Secretary shall increase the amount otherwise payable to the State under paragraph (1)(A) of this subsection for such 2nd or 3rd fiscal year, as the case may be, by an amount equal to 20 percent of the reduction imposed for the immediately preceding fiscal year.

"(iii) The Secretary shall reduce the amount of any reduction that, in the absence of this clause, would be required to be made under this paragraph by reason of the failure of a State to achieve compliance with section 454(24)(B) during the fiscal year, by an amount equal to 20 percent of the amount of the otherwise required reduction, for each State performance measure described in section 458A(b)(4) with respect to which the applicable percentage under section 458A(b)(6) for the fiscal year is 100 percent, if the Secretary has made the determination described in section 458A(b)(5)(B) with respect to the State for the fiscal year.

"(D) The preceding provisions of this paragraph (except for subparagraph (C)(i)) shall apply, separately and independently, to a failure to comply with section 454(24)(B) in the same manner in which the preceding provisions apply to a failure to comply with section 454(24)(A)."

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by inserting "(other than section 454(24))" before the semicolon.

SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT.

(a) IN GENERAL.—Section 452(d)(3) of the Social Security Act (42 U.S.C. 652(d)(3)) is amended to read as follows:

"(3) The Secretary may waive any requirement of paragraph (1) or any condition specified under section 454(16), and shall waive the single statewide system requirement under sections 454(16) and 454A, with respect to a State if—

"(A) the State demonstrates to the satisfaction of the Secretary that the State has or can develop an alternative system or systems that enable the State—

"(i) for purposes of section 409(a)(8), to achieve the paternity establishment percentages (as defined in section 452(g)(2)) and other performance measures that may be established by the Secretary;

"(ii) to submit data under section 454(15)(B) that is complete and reliable;

"(iii) to substantially comply with the requirements of this part; and

"(iv) in the case of a request to waive the single statewide system requirement, to—

"(I) meet all functional requirements of sections 454(16) and 454A;

"(II) ensure that calculation of distributions meets the requirements of section 457 and accounts for distributions to children in different families or in different States or sub-State jurisdictions, and for distributions to other States;

"(III) ensure that there is only 1 point of contact in the State which provides seamless case processing for all interstate case processing and coordinated, automated intra-state case management;

"(IV) ensure that standardized data elements, forms, and definitions are used throughout the State;

"(V) complete the alternative system in no more time than it would take to complete a single statewide system that meets such requirement; and

"(VI) process child support cases as quickly, efficiently, and effectively as such cases

would be processed through a single statewide system that meets such requirement;

“(B)(i) the waiver meets the criteria of paragraphs (1), (2), and (3) of section 1115(c); or

“(ii) the State provides assurances to the Secretary that steps will be taken to otherwise improve the State’s child support enforcement program; and

“(C) in the case of a request to waive the single statewide system requirement, the State has submitted to the Secretary separate estimates of the total cost of a single statewide system that meets such requirement, and of any such alternative system or systems, which shall include estimates of the cost of developing and completing the system and of operating and maintaining the system for 5 years, and the Secretary has agreed with the estimates.”.

(b) PAYMENTS TO STATES.—Section 455(a)(1) of such Act (42 U.S.C. 655(a)(1)) is amended—

(1) by striking “and” at the end of subparagraph (B);

(2) by striking the semicolon at the end of subparagraph (C) and inserting “, and”; and

(3) by inserting after subparagraph (C) the following:

“(D) equal to 66 percent of the sums expended by the State during the quarter for an alternative statewide system for which a waiver has been granted under section 452(d)(3), but only to the extent that the total of the sums so expended by the State on or after the date of the enactment of this subparagraph does not exceed the least total cost estimate submitted by the State pursuant to section 452(d)(3)(C) in the request for the waiver;”.

TITLE II—CHILD SUPPORT INCENTIVE SYSTEM

SEC. 201. INCENTIVE PAYMENTS TO STATES.

(a) IN GENERAL.—Part D of title IV of the Social Security Act (42 U.S.C. 651–669) is amended by inserting after section 458 the following:

“SEC. 458A. INCENTIVE PAYMENTS TO STATES.

“(a) IN GENERAL.—In addition to any other payment under this part, the Secretary shall, subject to subsection (f), make an incentive payment to each State for each fiscal year in an amount determined under subsection (b).

“(b) AMOUNT OF INCENTIVE PAYMENT.—

“(1) IN GENERAL.—The incentive payment for a State for a fiscal year is equal to the incentive payment pool for the fiscal year, multiplied by the State incentive payment share for the fiscal year.

“(2) INCENTIVE PAYMENT POOL.—

“(A) IN GENERAL.—In paragraph (1), the term ‘incentive payment pool’ means—

“(i) \$422,000,000 for fiscal year 2000;

“(ii) \$429,000,000 for fiscal year 2001;

“(iii) \$450,000,000 for fiscal year 2002;

“(iv) \$461,000,000 for fiscal year 2003;

“(v) \$454,000,000 for fiscal year 2004;

“(vi) \$446,000,000 for fiscal year 2005;

“(vii) \$458,000,000 for fiscal year 2006;

“(viii) \$471,000,000 for fiscal year 2007;

“(ix) \$483,000,000 for fiscal year 2008; and

“(x) for any succeeding fiscal year, the amount of the incentive payment pool for the fiscal year that precedes such succeeding fiscal year, multiplied by the percentage (if any) by which the CPI for such preceding fiscal year exceeds the CPI for the 2nd preceding fiscal year.

“(B) CPI.—For purposes of subparagraph (A), the CPI for a fiscal year is the average of the Consumer Price Index for the 12-month period ending on September 30 of the fiscal year. As used in the preceding sentence, the term ‘Consumer Price Index’ means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

“(3) STATE INCENTIVE PAYMENT SHARE.—In paragraph (1), the term ‘State incentive payment share’ means, with respect to a fiscal year—

“(A) the incentive base amount for the State for the fiscal year; divided by

“(B) the sum of the incentive base amounts for all of the States for the fiscal year.

“(4) INCENTIVE BASE AMOUNT.—In paragraph (3), the term ‘incentive base amount’ means, with respect to a State and a fiscal year, the sum of the applicable percentages (determined in accordance with paragraph (6)) multiplied by the corresponding maximum incentive base amounts for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

“(A) The paternity establishment performance level.

“(B) The support order performance level.

“(C) The current payment performance level.

“(D) The arrearage payment performance level.

“(E) The cost-effectiveness performance level.

“(5) MAXIMUM INCENTIVE BASE AMOUNT.—

“(A) IN GENERAL.—For purposes of paragraph (4), the maximum incentive base amount for a State for a fiscal year is—

“(i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (4), the State collections base for the fiscal year; and

“(ii) with respect to the performance measures described in subparagraphs (D) and (E) of paragraph (4), 75 percent of the State collections base for the fiscal year.

“(B) DATA REQUIRED TO BE COMPLETE AND RELIABLE.—Notwithstanding subparagraph (A), the maximum incentive base amount for a State for a fiscal year with respect to a performance measure described in paragraph (4) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

“(C) STATE COLLECTIONS BASE.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

“(i) 2 times the sum of—

“(I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and

“(II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and

“(ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.

“(6) DETERMINATION OF APPLICABLE PERCENTAGES BASED ON PERFORMANCE LEVELS.—

“(A) PATERNITY ESTABLISHMENT.—

“(i) DETERMINATION OF PATERNITY ESTABLISHMENT PERFORMANCE LEVEL.—The paternity establishment performance level for a State for a fiscal year is, at the option of the State, the IV–D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State’s paternity establishment performance level is as follows:

“If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State’s paternity establishment performance level is 50 percent.

“(B) ESTABLISHMENT OF CHILD SUPPORT ORDERS.—

“(i) DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State’s support order performance level is as follows:

“If the support order performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70

“If the support order performance level is:		The applicable percentage is:
At least:	But less than:	
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

“(C) COLLECTIONS ON CURRENT CHILD SUPPORT DUE.—

“(i) DETERMINATION OF CURRENT PAYMENT PERFORMANCE LEVEL.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's current payment performance level is as follows:

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

“(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

“(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's arrearage payment performance level is as follows:

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
0%	40%	0.

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

“(E) COST-EFFECTIVENESS.—

“(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

“If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
5.00 .....	.....	100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0.

“(c) TREATMENT OF INTERSTATE COLLECTIONS.—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

“(d) ADMINISTRATIVE PROVISIONS.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

“(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

“(f) REINVESTMENT.—A State to which a payment is made under this section shall expend the full amount of the payment to supplement, and not supplant, other funds used by the State—

“(1) to carry out the State plan approved under this part; or

“(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for the activity are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.”.

(b) **TRANSITION RULE.**—Notwithstanding any other provision of law—

(1) for fiscal year 2000, the Secretary shall reduce by $\frac{1}{3}$ the amount otherwise payable to a State under section 458 of the Social Security Act, and shall reduce by $\frac{2}{3}$ the amount otherwise payable to a State under section 458A of such Act; and

(2) for fiscal year 2001, the Secretary shall reduce by $\frac{2}{3}$ the amount otherwise payable to a State under section 458 of the Social Security Act, and shall reduce by $\frac{1}{3}$ the amount otherwise payable to a State under section 458A of such Act.

(c) **REGULATIONS.**—Within 9 months after the date of the enactment of this section, the Secretary of Health and Human Services shall prescribe regulations governing the implementation of section 458A of the Social Security Act when such section takes effect and the implementation of subsection (b) of this section.

(d) **STUDIES.**—

(1) **GENERAL REVIEW OF NEW INCENTIVE PAYMENT SYSTEM.**—

(A) **IN GENERAL.**—The Secretary of Health and Human Services shall conduct a study of the implementation of the incentive payment system established by section 458A of the Social Security Act, in order to identify the problems and successes of the system.

(B) **REPORTS TO THE CONGRESS.**—

(i) **REPORT ON VARIATIONS IN STATE PERFORMANCE ATTRIBUTABLE TO DEMOGRAPHIC VARIABLES.**—Not later than October 1, 2000, the Secretary shall submit to the Congress a report that identifies any demographic or economic variables that account for differences in the performance levels achieved by the States with respect to the performance measures used in the system, and contains the recommendations of the Secretary for such adjustments to the system as may be necessary to ensure that the relative performance of States is measured from a baseline that takes account of any such variables.

(ii) **INTERIM REPORT.**—Not later than March 1, 2001, the Secretary shall submit to the Congress an interim report that contains the findings of the study required by subparagraph (A).

(iii) **FINAL REPORT.**—Not later than October 1, 2003, the Secretary shall submit to the Congress a final report that contains the final findings of the study required by subparagraph (A). The report shall include any recommendations for changes in the system that the Secretary determines would improve the operation of the child support enforcement program.

(2) **DEVELOPMENT OF MEDICAL SUPPORT INCENTIVE.**—

(A) **IN GENERAL.**—The Secretary of Health and Human Services, in consultation with State directors of programs operated under part D of title IV of the Social Security Act and representatives of children potentially eligible for medical support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) **REPORT.**—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance

measure and contains the recommendations required by subparagraph (A).

(e) **TECHNICAL AMENDMENTS.**—

(1) **IN GENERAL.**—Section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 658 note) is amended—

(A) by striking subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(B) in subsection (c) (as so redesignated)—
(i) by striking paragraph (1) and inserting the following:

“(1) **CONFORMING AMENDMENTS TO PRESENT SYSTEM.**—The amendments made by subsection (a) of this section shall become effective with respect to a State as of the date the amendments made by section 103(a) (without regard to section 116(a)(2)) first apply to the State.”; and
(ii) in paragraph (2), by striking “(c)” and inserting “(b)”.

(2) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect as if included in the enactment of section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) **ELIMINATION OF PREDECESSOR INCENTIVE PAYMENT SYSTEM.**—

(1) **REPEAL.**—Section 458 of the Social Security Act (42 U.S.C. 658) is repealed.

(2) **CONFORMING AMENDMENTS.**—

(A) Section 458A of the Social Security Act, as added by section 201(a) of this Act, is redesignated as section 458.

(B) Section 455(a)(4)(C)(iii) of such Act (42 U.S.C. 655(a)(4)(C)(iii)), as added by section 101(a) of this Act, is amended—

(i) by striking “458A(b)(4)” and inserting “458(b)(4)”;

(ii) by striking “458A(b)(6)” and inserting “458(b)(6)”;

(iii) by striking “458A(b)(5)(B)” and inserting “458(b)(5)(B)”.

(C) Subsection (d)(1) of this section is amended by striking “458A” and inserting “458”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect on October 1, 2001.

(g) **GENERAL EFFECTIVE DATE.**—Except as otherwise provided in this section, the amendments made by this section shall take effect on October 1, 1999.

TITLE III—ADOPTION PROVISIONS

SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE APPLIED FOR FAILING TO PERMIT INTERJURISDICTIONAL ADOPTION.

(a) **CONVERSION OF FUNDING BAN INTO STATE PLAN REQUIREMENT.**—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking “and” at the end of paragraph (21);

(2) by striking the period at the end of paragraph (22) and inserting “; and”;

(3) by adding at the end the following:

“(23) provides that the State shall not—
“(A) deny or delay the placement of a child for adoption when an approved family is available outside of the jurisdiction with responsibility for handling the case of the child; or
“(B) fail to grant an opportunity for a fair hearing, as described in paragraph (12), to an individual whose allegation of a violation of subparagraph (A) of this paragraph is denied by the State or not acted upon by the State with reasonable promptness.”.

(b) **PENALTY FOR NONCOMPLIANCE.**—Section 474(d) of such Act (42 U.S.C. 674(d)) is amended in each of paragraphs (1) and (2) by striking “section 471(a)(18)” and inserting “paragraph (18) or (23) of section 471(a)”.

(c) **CONFORMING AMENDMENT.**—Section 474 of such Act (42 U.S.C. 674) is amended by striking subsection (e).

(d) **RETROACTIVITY.**—The amendments made by this section shall take effect as if included in the enactment of section 202 of the Adoption and Safe Families Act of 1997 (Public Law 105-89; 111 Stat. 2125).

TITLE IV—MISCELLANEOUS

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT.

(a) **PROMULGATION OF NATIONAL STANDARDIZED MEDICAL SUPPORT NOTICE.**—Section 452(a) of the Social Security Act (42 U.S.C. 652(a)) is amended—

(1) in paragraph (10), by striking “and” at the end;

(2) in paragraph (11), by striking the period and inserting “; and”;

(3) by adding at the end the following:

“(12)(A) develop jointly with the Secretary of Labor—

“(i) a National Standardized Medical Support Notice that satisfies the requirements of section 609(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(3)) and the requirements of this part and shall be used by States to enforce medical support orders; and
“(ii) appropriate procedures for the transmission of such Notice to employers by State agencies administering the program established under this part;

“(B) not later than 90 days after the date of enactment of this paragraph, establish with the Secretary of Labor, a medical support working group, not to exceed 20 individuals, that shall—

“(i) identify the impediments to the effective enforcement of medical support by State agencies administering the program established under this part; and
“(ii) be composed of representatives of—
“(I) the Department of Labor;
“(II) the Department of Health and Human Services;

“(III) State directors of programs under this part;
“(IV) State directors of the medicaid program under title XIX;

“(V) employers, including owners of small businesses;

“(VI) plan administrators and plan sponsors of group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1));

“(VII) children potentially eligible for medical support, such as child advocacy organizations; and

“(VIII) State public welfare programs;

“(C) require the working group established in accordance with subparagraph (B) to, not later than 18 months after the date of enactment of this paragraph, submit to the Secretary and Congress a report containing recommendations for appropriate measures to address the impediments to the effective enforcement of medical support by State agencies administering the program established under this part identified by the working group, including—

“(i) appropriate measures that establish the priority of withholding of child support obligations, medical support obligations, arrearages in such obligations, and, in the case of a medical support obligation, the employee's portion of any health care coverage premium, by the State agency administering the program established under this part in light of the restrictions on garnishment provided under title III of the Consumer Credit Protection Act (15 U.S.C. 1671-1677);

“(ii) appropriate procedures for coordinating the provision, enforcement, and transition of health care coverage under the State programs established under this part, title XIX, and title XXI;

“(iii) appropriate measures to improve the enforcement of alternate types of medical

support that are aside from health coverage offered through the noncustodial parent's health plan and unrelated to the noncustodial parent's employer, including measures that establish a noncustodial parent's responsibility to share the cost of a copayment, deductible, or a payment for services not covered under a child's existing health coverage; and

"(iv) appropriate measures for eliminating any other impediments to the effective enforcement of medical support orders that the working group deems necessary; and

"(D) issue, under the authority of the Secretary—

"(i) not later than 180 days after the date of enactment of this paragraph, a proposed regulation that specifies that the National Standardized Medical Support Notice shall be used by State agencies administering the program under this part to enforce medical support orders, and that includes such procedures for transmission of the Notice to employers that the Secretary determines are appropriate; and

"(ii) not later than 1 year after the date of enactment of this paragraph, a final regulation that specifies that the National Standardized Medical Support Notice shall be used by State agencies administering the program under this part to enforce medical support orders and the procedures for the transmission of that Notice to employers."

(b) REQUIRED USE OF NOTICE BY STATES.—

(1) STATE PROCEDURES.—Section 466(a)(19) of the Social Security Act (42 U.S.C. 466(a)(19)) is amended to read as follows:

"(19) HEALTH CARE COVERAGE.—Procedures under which—

"(A) all child support orders enforced pursuant to this part include a provision for the health care coverage of the child that, not later than October 1, 2000, is enforced, where appropriate, through the use of the National Standardized Medical Support Notice promulgated pursuant to section 452(a)(12);

"(B) in any case in which a noncustodial parent is required to provide such health care coverage and the employer of such noncustodial parent is known to the State agency, the State agency shall use the National Standardized Medical Support Notice to transfer notice of the provision for the health care coverage of the child to the employer in conjunction, where appropriate, with an income withholding notice within 2 days of the date that information regarding a newly hired employee is entered in the State Directory of New Hires pursuant to section 453A(e), and to any subsequent employer if the parent changes employment or obtains additional employment and the subsequent employer of such noncustodial parent is known to the State agency;

"(C) not later than 7 business days after the date the National Standardized Medical Support Notice is issued, the Notice shall operate to enroll the child in the noncustodial parent's employer's health plan, and to authorize the collection of any employee contributions required for such enrollment, unless the noncustodial parent contests enforcement of the health care coverage provision of the child support order pursuant to the Notice to the State agency based on mistake of fact; and

"(D) the employer shall, within 21 days after the date the Notice is issued, notify the State agency administering the program under this part whether such health care coverage is available and, if so, whether the child has been enrolled in such coverage and the effective date of the enrollment, and provide to the custodial parent any necessary documentation to provide the child with coverage."

(2) CONFORMING AMENDMENTS.—Section 452(f) of the Social Security Act (42 U.S.C. 452(f)) is amended in the first sentence—

(A) by striking "petition for the inclusion of" and inserting "include"; and

(B) by inserting "and enforce medical support" before "whenever".

(c) NATIONAL STANDARDIZED MEDICAL SUPPORT NOTICE DEEMED A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—

(1) AMENDMENT TO ERISA.—Section 609(a)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(5)) is amended by adding at the end the following:

"(C) NATIONAL STANDARDIZED MEDICAL SUPPORT NOTICE DEEMED TO BE A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—If a group health plan administrator receives a completed National Standardized Medical Support Notice promulgated pursuant to section 452(a)(12) of the Social Security Act (42 U.S.C. 452(a)(12)), and the notice meets the requirements of paragraphs (3) and (4), the notice shall, not later than 7 business days after the date the National Standardized Medical Support Notice is issued, be deemed to be a qualified medical child support order and the plan administrator shall comply with the notice."

(2) RULE OF CONSTRUCTION.—The amendment made by paragraph (1) shall not be construed as requiring an employer to provide or expand any health benefits coverage provided by the employer that the employer is not, as of the date of enactment of this section, required to provide, or to modify or change the eligibility rules applicable to a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1))).

(d) REPORT AND RECOMMENDATIONS REGARDING THE ENFORCEMENT OF QUALIFIED MEDICAL SUPPORT ORDERS UNDER ERISA.—Not later than 1 year after the date of enactment of this Act, the Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall submit to the Committee on Labor and Human Resources and the Committee on Finance of the Senate, and the Committee on Education and the Workforce and the Committee on Ways and Means of the House of Representatives, a report containing recommendations for appropriate legislation to improve the effectiveness of, and enforcement of, qualified medical child support orders under the provisions of section 609 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169).

SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION.

(a) PENALTY FOR UNAUTHORIZED ACCESS, DISCLOSURE, OR USE OF INFORMATION.—Section 453(l) of the Social Security Act (42 U.S.C. 453(l)) is amended—

(1) by striking "Information" and inserting the following:

"(1) IN GENERAL.—Information"; and

(2) by adding at the end the following:

"(2) PENALTY FOR MISUSE OF INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—The Secretary shall require the imposition of an administrative penalty (up to and including dismissal from employment), and a fine of \$1,000, for each act of unauthorized access to, disclosure of, or use of, information in the National Directory of New Hires established under subsection (i) by any officer or employee of the United States who knowingly and willfully violates this paragraph."

(b) LIMITS ON RETENTION OF DATA IN THE NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i)(2) of the Social Security Act (42 U.S.C. 453(i)(2)) is amended to read as follows:

"(2) DATA ENTRY AND DELETION REQUIREMENTS.—Information shall be—

"(A) entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2);

"(B) in the case of an individual for whom an information comparison under subsection (j) does not reveal a match, deleted from

such data base 12 months after the date of entry; and

"(C) in the case of an individual for whom an information comparison under subsection (j) does reveal a match, deleted from such data base 24 months after the date of entry."

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1999.

SEC. 403. CONFORMING AMENDMENTS REGARDING THE COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR PURPOSES OF CHILD SUPPORT ENFORCEMENT.

(a) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii)—

(A) by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each individual named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the individual."; and

(B) by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a professional license, driver's license, occupational license, or recreational license shall require each applicant for issuance or renewal of the license to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV. If a State allows the use of a number other than the social security number to be used on the face of the document while the social security number is kept on file at the agency, the State shall so advise any applicants.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each individual subject to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV."

(b) RETROACTIVITY.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 317 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193; 110 Stat. 2220).

SEC. 404. ELIMINATION OF DEFINITION REGARDING HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT OF CHILD SUPPORT.

(a) TECHNICAL AMENDMENT.—Section 466(a)(14) of the Social Security Act (42 U.S.C. 466(a)(14)) is amended to read as follows:

"(14) HIGH-VOLUME, AUTOMATED ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A) the State shall use high-volume automated administrative enforcement, to the same extent as used for intrastate cases, in response to a request made by another State

to enforce support orders, and shall promptly report the results of such enforcement procedure to the requesting State;

“(B) the State may, by electronic or other means, transmit to another State a request for assistance in enforcing support orders through high-volume, automated administrative enforcement, which request—

“(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the cases to the information in the data bases of the State; and

“(ii) shall constitute a certification by the requesting State—

“(I) of the amount of support under an order the payment of which is in arrears; and

“(II) that the requesting State has complied with all procedural due process requirements applicable to each case;

“(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the case-load of such other State; and

“(D) the State shall maintain records of—

“(i) the number of such requests for assistance received by the State;

“(ii) the number of cases for which the State collected support in response to such a request; and

“(iii) the amount of such collected support.”.

(b) RETROACTIVITY.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 5550 of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 633).

SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS.

(a) REPORT ON FEASIBILITY OF INSTANT CHECK SYSTEM.—Not later than December 31, 1998, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the feasibility and cost of creating and maintaining a nationwide instant child support order check system under which an employer would be able to determine whether a newly hired employee is required to provide support under a child support order.

(b) REPORT ON IMPLEMENTATION AND USE OF CHILD SUPPORT DATABASES.—Not later than December 31, 1998, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the implementation of the Federal Parent Locator Service (including the Federal Case Registry of Child Support Orders and the National Directory of New Hires) established under section 453 of the Social Security Act (42 U.S.C. 653) and the State Directory of New Hires established under section 453A of such Act (42 U.S.C. 653a). The report shall include a detailed discussion of the purposes for which, and the manner in which, the information maintained in such databases has been used, and an examination as to whether such databases are subject to adequate safeguards to protect the privacy of the individuals with respect to whom information is reported and maintained.

SEC. 406. TECHNICAL CORRECTIONS.

(a) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking “Economic and Educational Opportunities” and inserting “Education and the Workforce”.

(b) Section 422(b)(2) of the Social Security Act (42 U.S.C. 622(b)(2)) is amended by striking “under under” and inserting “under”.

(c) Section 432(a)(8) of the Social Security Act (42 U.S.C. 632(a)(8)) is amended by adding “; and” at the end.

(d) Section 453(a)(2) of the Social Security Act (42 U.S.C. 653(a)(2)) is amended—

(1) by striking “parentage,” and inserting “parentage or”; and

(2) by striking “or making or enforcing child custody or visitation orders,”; and

(3) in subparagraph (A), by decreasing the indentation of clause (iv) by 2 ems.

(e)(1) Section 5557(b) of the Balanced Budget Act of 1997 (42 U.S.C. 608 note) is amended by adding at the end the following: “The amendment made by section 5536(1)(A) shall not take effect with respect to a State until October 1, 2000, or such earlier date as the State may select.”.

(2) The amendment made by paragraph (1) shall take effect as if included in the enactment of section 5557 of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 637).

(f) Section 473A(c)(2)(B) of the Social Security Act (42 U.S.C. 673b(c)(2)(B)) is amended—

(1) by striking “November 30, 1997” and inserting “April 30, 1998”; and

(2) by striking “March 1, 1998” and inserting “July 1, 1998”.

(g) Section 474(a) of the Social Security Act (42 U.S.C. 674(a)) is amended by striking “(subject to the limitations imposed by subsection (b))”.

(h) Section 232 of the Social Security Act Amendments of 1994 (42 U.S.C. 1314a) is amended—

(1) in subsection (b)(3)(D), by striking “Energy and”; and

(2) in subsection (d)(4), by striking “(b)(3)(C)” and inserting “(b)(3)”.

Amend the title so as to read: “An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, and for other purposes.”.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Thursday, April 23, 1998 at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC, 20510. For further information, please call Amie Brown or Mark Rey at (202) 224-6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Com-

mittee on Energy and Natural Resources.

The hearing will take place Tuesday, April 28, 1998 at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on S. 326, the Abandon Hardrock Mines Reclamation Act of 1997; S. 327, the Hardrock Mining Royalty Act of 1997; and S. 1102, Mining Law Reform Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Amie Brown or Mike Menge at (202) 224-6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Thursday, April 30, 1998 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Amie Brown or Mark Rey at (202) 224-6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Tuesday, May 5, 1998 at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Amie Brown or Mark Rey at (202) 224-6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Wednesday, May 6, 1998 at 2:30 p.m. in room